



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-570-017

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China:
Preliminary Results of Countervailing Duty Administrative Review and Rescission, in Part;
2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (PRC). The period of review (POR) is December 1, 2014, through December 31, 2015. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Andrew Huston, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4261.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 2015, the Department issued a countervailing duty (CVD) order on passenger tires from the PRC.¹ Several interested parties requested that the Department conduct an administrative review of the countervailing duty order, and on October 14, 2016, the Department published in the *Federal Register* a notice of initiation of an administrative review of the CVD Order for 61 producers/exporters for the POR.²

Scope of the Order

The products covered by the order are certain passenger vehicle and light truck tires from the PRC. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.³

Methodology

The Department is conducting this CVD review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see the*

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (CVD Order).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 71061 (October 14, 2016) (Initiation Notice).

³ See “Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China; 2014-2015,” dated concurrently with this notice (Preliminary Decision Memorandum) and hereby adopted by this notice.

⁴ See sections 771(5) (B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

Preliminary Decision Memorandum.⁵ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Sailun Jinyu Group Co., Ltd., Sailun Jinyu Group (Hong Kong) Co., Limited; Sailun Tire International Corp., Seatex International Inc., Jinyu International Holding Co., Limited, Husky Tire Corp., Dynamic Tire Corp., Shandong Jinyu Industrial Co., Ltd., Qingdao Jinhaoyang International Co., Ltd., Guangzhou Pearl River Rubber Tyre Ltd., Best Choice International Trade Co. Limited, Winrun Tyre Co., Ltd., and Shandong Wanda Boto Tyre Co., Ltd. timely withdrew their requests for review.⁶ No other party

⁵ A list of topics discussed in the Preliminary Decision Memorandum can be found as an appendix to this notice.

⁶ See Letter to the Secretary from Sailun Jinyu Group Co. Ltd., "Sailun Group Withdrawal of CVD Review Request: 1st Administrative Review of Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China," (December 15, 2016); Letter to the Secretary from Qingdao Jinhaoyang International Co., Ltd., "Jinhaoyang's Withdrawal of CVD Review Request (POR1): Certain Passenger Vehicle and Light Truck Tires from China," (January 11, 2017); Letter to the Secretary from Guangzhou Pearl River Rubber Tyre Ltd., "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China – Withdrawal of Request for Administrative Review," January 12, 2017; Letter to the Secretary from Best Choice International Trade Co., "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China – Withdrawal of Request for Administrative Review," January 12, 2017; Letter to the Secretary from Winrun Tyre Co., Ltd., "Winrun's Withdrawal of CVD Review Request (POR1): Certain Passenger Vehicle and Light Truck Tires," (January 12, 2017); Letter to the Secretary from ITG Voma Corporation, "Passenger Vehicle and Light Truck Tires

requested a review of these producers/exporters. Therefore, in accordance with 19 CFR 351.213(d)(1), the Department is rescinding this review of the CVD order on passenger tires from the PRC with respect to these companies.

Preliminary Results of Review

As a result of this review, we preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate
GITI Tire Global Trading Pte. Ltd./ GITI Tire (USA) Ltd./ GITI Radial Tire (Anhui) Company Ltd. (GITI Anhui Radial)/ GITI Tire (Fujian) Company Ltd (GITI Fujian)/ GITI Tire (Hualin) Company Ltd.(GITI Hualin) (collectively, GITI)	25.12%
Cooper (Kunshan) Tire Co., Ltd. (Cooper)	14.56%
Zhongce Rubber Group Company Limited	89.78%
Non Selected Companies Under Review	19.84%

Preliminary Rate for the Non-Selected Companies Under Review

The statute and the Department's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where the Department limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, the Department normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs the Department as a general rule to calculate an all others rate using the weighted average of the subsidy rates established for the

from the People's Republic of China: Withdrawal of Request for Administrative Review," (January 12, 2017); Letter to the Secretary from Shandong Wanda Boto Tyre Co., Ltd, "Passenger Vehicle and Light Truck Tires from the People's Republic of China: Withdrawal of Request for Administrative Review," (January 12, 2017).

producers/exporters individually examined, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, the preliminary subsidy rates calculated for GITI and Cooper and their cross-owned affiliates are above *de minimis* and are not based entirely on facts available. Therefore, for the companies for which a review was requested that were not selected as mandatory company respondents and for which we did not receive a timely request for withdrawal of review, with the exception of Zhongce Rubber Group Limited, and which we are not finding to be cross-owned with the mandatory company respondents, we are preliminarily basing the subsidy rate on the subsidy rate calculated for GITI and Cooper. For a list of these non-selected companies, please see Appendix II to this notice.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of publication of this notice in the *Federal Register*.⁷ Interested parties may submit case and rebuttal briefs, as well as request a hearing.⁸ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.⁹ Rebuttal briefs must be limited to issues raised in the case briefs.¹⁰ Parties who submit case or rebuttal briefs are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹

⁷ See 19 CFR 351.224(b).

⁸ See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

⁹ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹⁰ See 19 CFR 351.309(d)(2).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system.¹² Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.¹³ Parties should confirm by telephone the date, time, and location of the hearing. Issues addressed at the hearing will be limited to those raised in the briefs.¹⁴ All briefs and hearing requests must be filed electronically and received successfully in their entirety through ACCESS by 5:00 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

Assessment Rates and Cash Deposit Requirement

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon issuance of the final results, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, CVDs on all appropriate entries covered by this review. We intend to issue instructions

¹² See 19 CFR 351.310(c).

¹³ See 19 CFR 351.310.

¹⁴ See 19 CFR 351.310(c).

to CBP 15 days after publication of the final results of review. For companies for which this review is rescinded, the Department will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period December 1, 2014, through December 31, 2015, in accordance with 19 CFR 351.212(c)(1)(i). The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Pursuant to section 751(a)(2)(C) of the Act, the Department also intends to instruct CBP to collect cash deposits of estimated CVDs, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: August 31, 2017

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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Appendix II

Non-Selected Companies Under Review

1. American Pacific Industries, Inc.
2. BC Tyre Group Limited
3. Crown International Corporation
4. Fleming Limited
5. Guangrao Taihua International Trade Co., Ltd.
6. Haohua Orient International Trade Ltd.
7. Hong Kong Tiancheng Investment & Trading Co., Limited
8. Jilin Jixing Tire Co., Ltd.
9. Kenda Rubber (China) Co., Ltd.
10. Liaoning Permanent Tyre Co., Ltd.
11. Macho Tire Corporation Limited
12. Maxon Int'l Co., Limited
13. Qingdao Crown Chemical Co., Ltd.
14. Qingdao Goalstar Tire Co., Ltd.
15. Qingdao Keter International Co., Limited
16. Qingdao Lakesea Tyre Co., Ltd.
17. Qingdao Nama Industrial Co., Ltd.
18. Qingdao Odyking Tyre Co., Ltd.
19. Qingdao Sentury Tire Co., Ltd.
20. Qingzhou Detai International Trading Co., Ltd.
21. Riversun Industry Limited
22. Safe&Well (HK) International Trading Limited
23. Shandong Anchi Tyres Co., Ltd.
24. Shandong Changhong Rubber Technology Co., Ltd.
25. Shandong Guofeng Rubber Plastics Co., Ltd.
26. Shandong Haohua Tire Co., Ltd.
27. Shandong Hawk International Rubber Industry Co., Ltd.
28. Shandong Hengyu Science & Technology Co., Ltd.
29. Shandong Linglong Tyre Co., Ltd.
30. Shandong Longyue Rubber Co., Ltd.
31. Shandong New Continent Tire Co., Ltd.
32. Shandong Province Sanli Tire Manufactured Co., Ltd.
33. Shandong Yongtai Group Co., Ltd. (formerly known as Shandong Yongtai Chemical Co., Ltd.)
34. Shandong Zhongyi Rubber Co., Ltd.
35. Shangong Shuangwang Rubber Co., Ltd.
36. Shengtai Group Co., Ltd.
37. Shouguang Firemax Tyre Co., Ltd.
38. Southeast Mariner International Co., Ltd.
39. Tyrechamp Group Co., Limited
40. Windforce Tyre Co., Limited

41. Zhaoqing Junhong Co., Ltd.
[FR Doc. 2017-18997 Filed: 9/6/2017 8:45 am; Publication Date: 9/7/2017]